

school purposes in each of the years 1855 and 1856, and also the sum of \$8,000 in each year was set apart for the use of the North-Carolina institution for the deaf, dumb and blind.

Reference to the books of the public treasurer will show that there was due to the literary fund by the State, *on account*, on the first of November last the sum of \$140,412 86. At that time there was further due for interest upon the bonds herein before set forth, and not carried into the account, about the sum of \$30,632. Of this last amount \$22,955 80 was due for interest upon the two bonds first named, no interest having been paid on the same from the time of their execution. As a relief to the treasury, and also as a proper mode of increasing the interest-bearing fund, the board concur in the recommendation of the Governor that the interest on these bonds be converted into principal, and that the bond of the State be executed for the same to the board.

By reference to the report made by the board to the last General Assembly, it will be seen that the only changes in the bonded assets of the board since that report was made, are as follows:

The bond of P. K. Dickinson and others for \$27,000 was paid off on the 17th of January, 1855, and the proceeds invested in twenty State coupon bonds of \$1,000 each.

The Wilmington and Weldon Railroad Company paid \$15,000 on their bonds in the month of July, 1855, which was lent to the State, and is included in her bond of \$15,442.

The small note of Allen Grist for \$296 was paid off.

The sum of \$2,000 due by Mt. Pleasant Academy, and \$3,000 by Clinton Female Institute, are for new loans made by virtue of resolutions passed by the last General Assembly.

Under a resolution of the General Assembly passed at the session of 1852-'3, a large portion of what is known as the open ground prairie, in the county of Carteret, was drained by canals and ditches. The work was finished about the 8th of September, 1855, and at a cost of \$4,994 90. Opinions differ as to the value of these lands. The board have made efforts to sell a small portion, comparatively, of the lands, at a reduced price, with a view to having the same